



**City of Dallas**

# **Development Code Amendment Parkland Dedication**

**Parks, Trails and the  
Environment Committee  
June 2, 2025**

Ryan O'Connor, Deputy Director  
La'Kisha Girder, Manager-Parks Planning  
Partnership and Strategic Initiatives  
Dallas Park and Recreation

# Purpose



- Consideration of amendments to Chapter 51A, the Dallas Development Code, Division 51A-4.1000, “Park Land Dedication”, and related sections, pursuant to the requirements of Texas House Bill 1526, 88th Legislature.



# Summary



- The proposed code amendments recommends changes to park land dedication requirements for a fee-in-lieu of park land dedication for residential and lodging uses in the City of Dallas pursuant to the requirements of Texas Senate Bill 929, 88th Legislature.
- Using the legal mandate to amend the ordinance as an opportunity, we are recommending a simplification of the requirements so that all interested parties can easily be informed



# Background



- Park Land Dedication Ordinance No. 30934 went into effect July 1, 2019, as Division 51A-4.1000. Park Land Dedication of the Dallas Development Code
  - Required fees for fee-in-lieu and park development
  - Ordinance established 7 park nexus zones to generate and spend fees
  - Expenditure of fees was limited to land acquisition and park development
  - Affected single family, multifamily and hotel/motel developments
  - Offered credits for certain types amenities and flexibility for dedicating land and developing parks within developments
- Ordinance developed through a process of working with park advocates and representatives of the development community
- Through implementation of the ordinance, staff learned that the credits and flexibility were not utilized, and all developers chose to pay a fee for reasons related to simplicity and timing





# Background (continued)



- In May 2023, the Texas Legislature amended Chapter 212 of the Local Government Code through H.B. No. 1526, which is applicable to all Texas municipalities with a population over 800,000
  - Dallas
  - Houston
  - San Antonio
  - Austin
  - Fort Worth
- H.B. No. 1526 applies to all plan applications filed on or after January 1, 2024, necessitating modifications to our current ordinance



# State Law-HB 1526



- Affects multifamily and hotel/motel developments – excludes single family
- Municipalities to determine whether to require land dedication, fee assessment or both
- Establishes two ways to derive fees
  - Calculation based upon formula that utilizes appraisal districts land values, number of units in a development, density factor, and dwelling unit factor
  - Flat per unit cost not to exceed 2% median family income (MFI)
- Limits City's ability to require a land dedication (acquisition) to no more than 10% of development site
- If City chooses to require dedication, must purchase the land at fair market value minus the fee calculation
- Fees and/or land dedication must be satisfied prior to issuance of Certificate of Occupancy
- Affordable housing (reserved dwelling) units are excluded from the fee calculation



# New Ordinance Recommendations



- Utilize ability to require land dedications (acquisitions) on a case-by-case basis and charge a fee utilizing State law thresholds
- Would only require a land dedication in very limited instances in areas of high need of park access
- Redraw park dedication zone boundaries crafting 5 (from 7) that will create larger geographical areas
  - Will allow for more flexibility on where to invest resources
  - Funds will accrue more quickly
- Staff recommends utilizing the maximum of 2% MFI (flat fee) methodology
  - 2% for single family
  - 2% for multifamily uses (2 or more bedrooms)
  - 1% for multifamily uses (1 bedroom)
  - 1% for hotel/motel uses
- Remove unused credit mechanisms and fee exemptions from current ordinance
- Increase indirect (including staff) costs from 10% to 20% of project expenses



# Timeline and Recent Actions



- **Park Board** was briefed in October 2023 and directed us to use the method that would generate the most revenue
  - Park Board passed a resolution supporting staff's recommendation for parkland dedication fees on February 20, 2025
- **Zoning Advisory Ordinance Committee (ZOAC)**
  - October 22, 2024
  - December 3, 2024
    - Approved with no amendments
- **City Plan Commission (CPC)**
  - February 13, 2025
  - Two key amendments
    - Credit to developer of 50% of total fee if they develop a trailhead associated with their development
    - Reduced staff recommended fee rates by 50%
  - All other elements of ordinance were approved such as exemption for affordable housing, shrinking of zones from 7 to 5, etc.





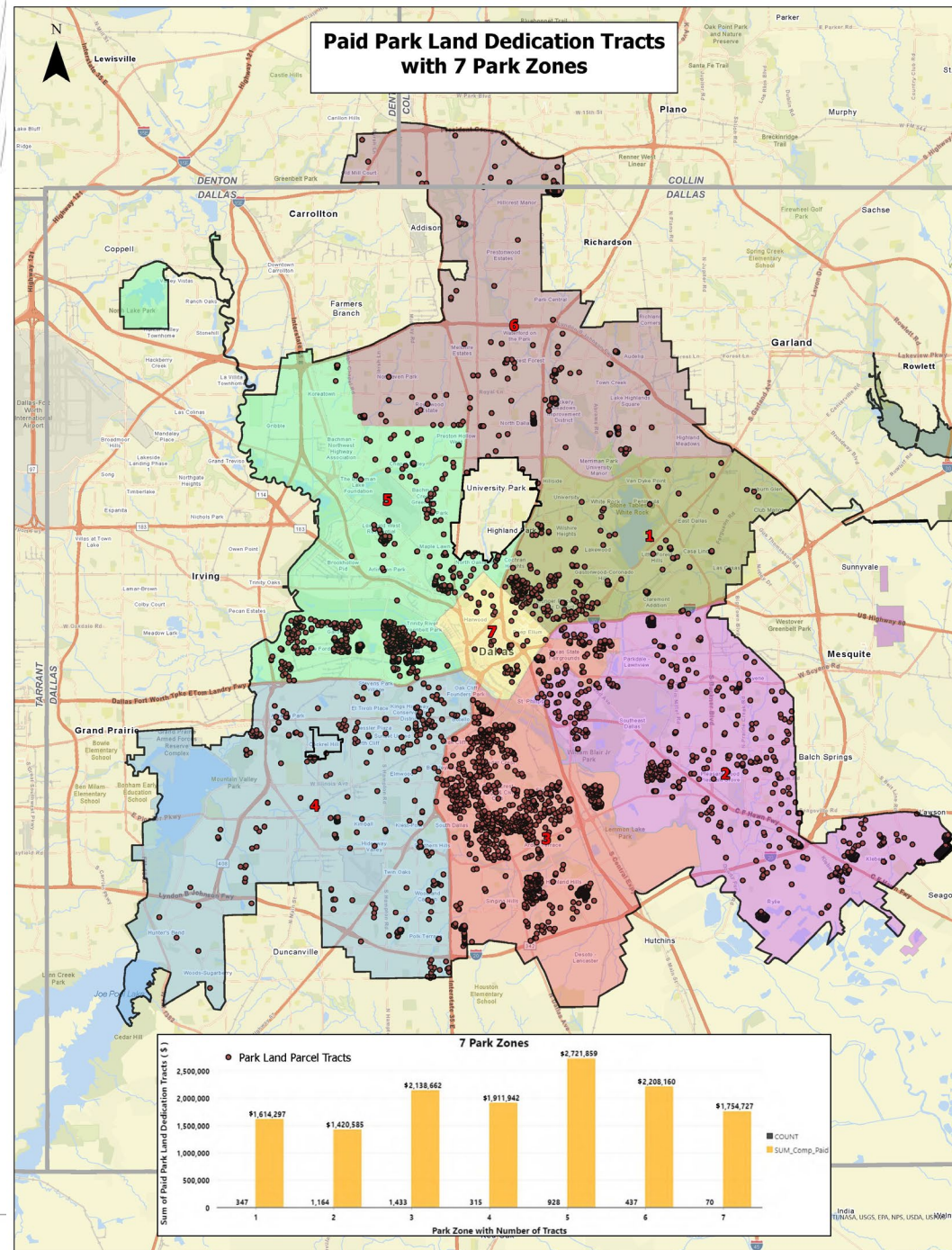
# Impacts of CPC Recommendation



- Considering the recommended fee reductions, it's likely there will be inadequate funds to purchase land given escalating land values
- Will need to have land acquisition in future bond programs – lessening ability to deliver other types of projects
- Will be difficult to accumulate enough funds in 10 years (refund window) in each zone to do anything other than minor park improvements
- Likely that fees will not keep up with the cost of inflation or land values

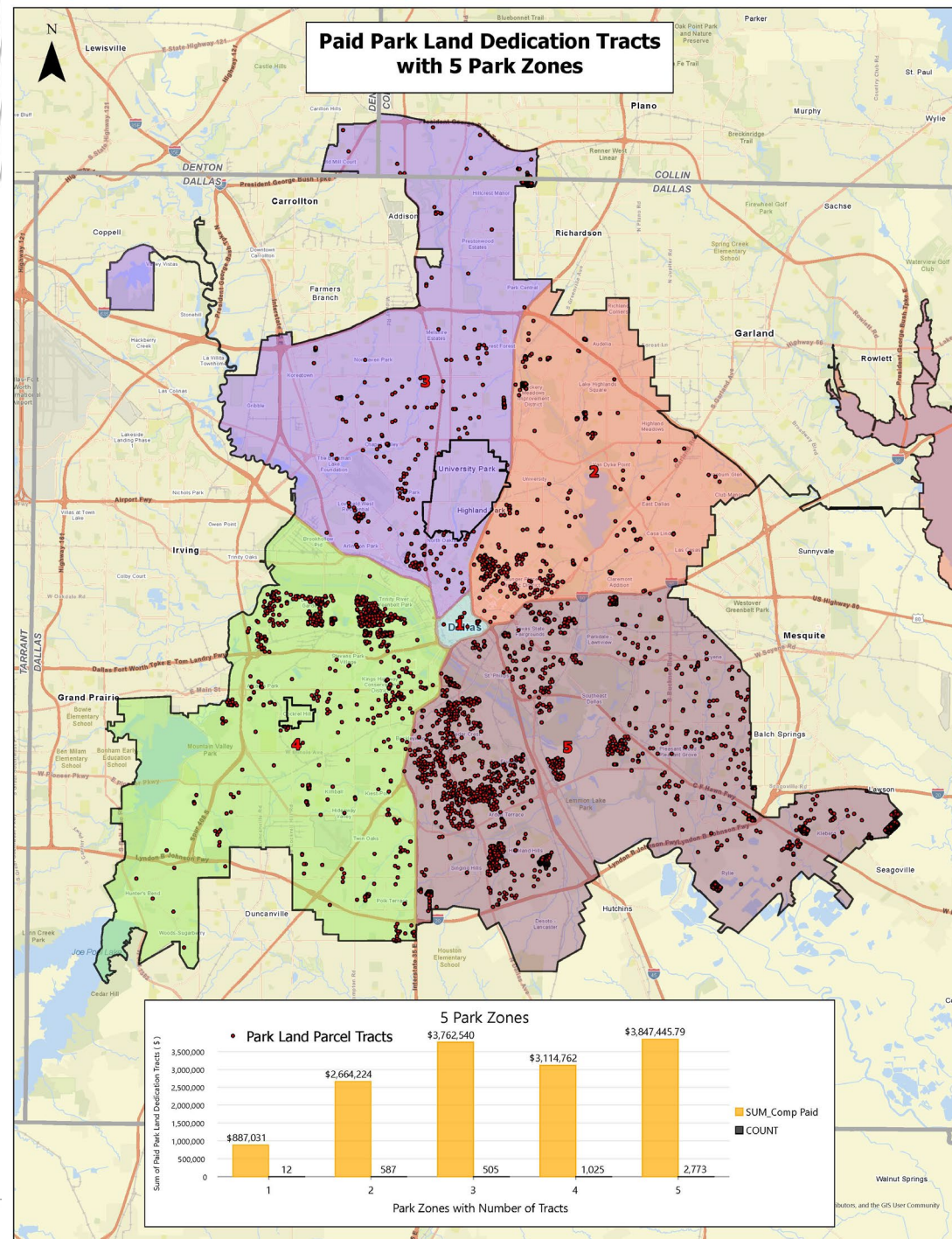


# Park Nexus Zones (Seven)





# Park Nexus Zones (Five) Staff's Recommendation



# Table 1: Low Fee Calculation Formula



Single Family	Multifamily (1 bedroom)	Multifamily (2+ bedrooms)	Hotel/Motel
<b>2% Dallas MFI</b> (.02)(\$65,400) =	<b>1% Dallas MFI</b> (.01)(\$65,400) =	<b>2% Dallas MFI</b> (.02)(\$65,400) =	<b>1% Dallas MFI</b> (.01)(\$65,400) =
<b>\$1,308</b> per dwelling unit	<b>\$654</b> per dwelling unit	<b>\$1,308</b> per dwelling unit	<b>\$654</b> per dwelling unit



# Table 2: Fee Calculations Cities Impacted by HB 1526



	Flat Fee (2% MFI)	CBD Land Value	CBD Fee	Urban Land Value	Urban Fee	Suburban Land Value	Suburban Fee
Austin	...	\$17,631,029/ ac	\$2,203.88/ DU	\$4,657,575/ ac	\$5,821.97/ DU	\$1,363,105 /ac	\$6,815.53/ DU
Fort Worth	\$1,800.00	\$2,558,694/ ac	...	\$1,072,489/ ac	...	\$333,460/ ac	...
Houston	...	...	\$700/DU	...	\$700/DU	...	\$700/DU
Proposed Ordinance Dallas (PKR and ZOAC)	\$1,308.00 or \$654	\$4,053,832/ ac	...	\$425,205/ ac	...	...	...
Dallas CPC Recommendation	\$654 (1%) or \$327 (0.5%)	\$4,053,832/ ac	...	\$425,205/ ac	...	...	...





# Table 3:Fee Calculations Metroplex Select Cities- Update Table



	Single Family	Multifamily (1 bedroom)	Multifamily (2 or more bedrooms)	Hotel/Motel
Southlake	\$6,500/DU	\$6,500/DU	\$8,700.00/DU	...
Plano	\$2,865.43/DU	\$1,442.66/DU	...	...
Forney	\$1,548/DU	\$604/DU	...	...
Arlington	\$1,275-\$1,410/DU	\$1,275-\$1,410/DU	\$1,275-\$1,410/DU	...
Lancaster	\$1,400/DU			
Frisco	MV/DU and \$1,661/DU	...	...	...
Proposed Dallas Ordinance (PKR & ZOAC)	\$1,308/DU	\$654/DU	\$1,308/DU	\$654/DU
Mansfield	\$1,250/DU	\$1,250/DU	...	...
Current Dallas Ordinance	\$1165/DU	\$457/DU	\$917/DU	\$500/DU
Dallas CPC Recommendation	\$654/DU	\$327/DU	\$654/DU	\$327/DU



# Next Steps



- Work with Planning & Development, Housing and all private development City staff to update the plan application process to reflect the new park land dedication ordinance
- Work with Planning and Development (PDV) to add the new parkland dedication calculations in the Dallas Now permitting system
- Ensure development community and residents are aware of the upcoming changes to ordinance
- Schedule the proposed new ordinance for the City Council for consideration in June 2025





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# Appendix A-Dallas Fee Calculations Per Dwelling Unit



	Single Family	Multifamily (1 bedroom)	Multifamily (2 or more bedrooms)	Hotel/Motel
Current Ordinance	\$1165/DU	\$457/DU	\$917/DU	\$500/DU
Proposed Ordinance	$0.02 \times \$65,400 =$ \$1,308/DU	$.01 \times \$65,400 =$ \$654/DU	$0.02 \times \$65,400 =$ \$1,308/DU	$.01 \times \$65,400 =$ \$654/DU
Percent Increase based on Current Ordinance Fee	12.27%	43.11%	42.64%	30.80%
CPC Recommendation	$.01 \times \$65,400 =$ \$654/DU	$.005 \times \$65,400 =$ \$327/DU	$.01 \times \$65,400 =$ \$654/DU	$.005 \times \$65,400 =$ \$327/DU
Percent Decrease Based on Current Ordinance Fee	-43.86%	-28.44%	-28.68%	-34.60%

